

## FACT SHEET: ECONOMIC IMPACT OF PORTAGE COLLEGE

*What role does Portage College play in the local economy? The results of this study demonstrate that Portage is a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from an enlarged economy and lower social costs. And the community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden.*

### *Portage stimulates provincial and local economy*

- The Portage Service Area economy receives roughly **\$15.2 million in regional income** annually due to Portage operations and capital spending.
- About 31% of Portage's students come from outside the region, bringing with them monies that would not have otherwise entered the local economy. Portage's out-of-region students spend a total of \$8.2 million while attending college, generating roughly **\$5.1 million in regional income in the Portage Service Area**.
- Portage activities encourage new business, assist existing business, and create long-term economic growth. The college enhances worker skills and provides customized training to local business and industry. It is estimated that the present-day Portage Service Area workforce embodies around **627,900 credits** of past and present Portage training.
- Portage skills embodied in the workforce of the Portage Service Area where former students are employed **increase regional income by \$98.5 million**. Associated indirect effects increase income by **another \$8.3 million**.
- Altogether, the Portage Service Area economy annually receives roughly **\$127.2 million in income** due to the past and present efforts of Portage. Clearly it is accurate to describe Portage as an engine of economic growth.

### *Portage leverages taxpayer dollars*

- The provincial and local community will see **avoided social costs amounting to \$8 per year for every credit earned** by Portage students, including savings associated with improved health, reduced crime, and fewer welfare and unemployment claims.
- This translates to **\$322,100 worth of social savings** to the Province of Alberta each year as long as students are in the workforce.
- Students benefit from higher earnings, thereby expanding the tax base and reducing the tax burden on provincial and local taxpayers. When aggregated together, Portage students generate about **\$5.0 million annually in higher earnings** due to their Portage education.

### *Portage generates return on investment*

- Provincial and local government allocated around **\$18.2 million in support of Portage** in fiscal year 2006.
- For every dollar appropriated by provincial and local government, taxpayers will see a **cumulative return of \$1.80** over the course of the students' working career (in the form of higher tax receipts and avoided social costs).

**Portage returns \$1.80 for every dollar of taxpayer financial support.**

- Provincial and local government will see a **rate of return of 7%** on their support for Portage, which compares very favorably with private sector rates of return on similar long-term investments.

### *Portage increases students' earning potential*

- A total of **3,840 credit and non-credit students** attended the college in academic year 2005-2006. As many as **80% of these students stay in the region** initially after they leave college and contribute to the local economy.
- Studies demonstrate that education increases lifetime earnings. **The average annual earnings of a student with a one-year certificate are \$41,500**, or 35% more than someone without a high school diploma or GED, and 13% more than a student with a high school diploma. **The average earnings of a student with a diploma are \$47,300**, or 54% more than someone without a high school diploma or GED, and 29% more than a student with a high school diploma or GED.
- Portage students will see their annual income increase, on average, by about **\$125 per year for every credit completed** at Portage during the analysis year.
- Throughout his or her working career, the average Portage student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase **\$4.10 for every education dollar invested** (in the form of tuition, fees, books, and foregone earnings from employment).
- Students enjoy an attractive **13% annual rate of return** on their Portage educational investment, and recover all costs (including wages foregone while attending) in **11 years**.

**Students see their annual income increase by \$125 per year for every credit completed at Portage.**